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C O N F I D E N T I A L SECTION 01 OF 03 UNVIE VIENNA 000524

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TAGS: [KNNP](#) [AORC](#) [IAEA](#) [IR](#)
SUBJECT: IAEA/IRAN: DIRECTOR GENERAL'S REPORT HIGHLIGHTS
FAILURES ON QOM

Classified By: Nuclear Counselor Mark Scheland for reasons 1.4(b) and (d)

Summary

1. (SBU) The Director General's (DG) November 16 report on Iran identifies a number of new issues of concern, including the disclosure of the Fordow Fuel Enrichment Plant (FFEP) near Qom, and highlights Iran's continued failure to abide by UN Security Council and Board resolutions, including by cooperating fully with the IAEA. In addition to the FFEP near Qom, the DG's report also notes Iranian plans for a new "underground" analytical laboratory at the Uranium Conversion Facility at Esfahan, and reports that a previously unknown cache of heavy water was found at Esfahan as well. The report is significantly tougher than recent previous installments of DG reports, in particular in regard to Code 3.1 modified and Iran's continuing refusal to make early declaration of nuclear facilities. For example, the report states that the Agency informed Iran that its declaration of Qom "reduces the level of confidence" in the absence of other nuclear facilities under construction and gives rise to questions about whether there were any other nuclear facilities in Iran which had not been declared to the Agency." The IAEA sent Iran a letter seeking confirmation that no such additional facilities exist, but Iran has yet to respond. The report also notes in three separate paragraphs that Iran's behavior was "inconsistent" with its safeguards obligations (the late declaration of Qom, the late submission of design information for the planned Dharkovin reactor, and a reiteration in a summary paragraph that lack of early declaration is inconsistent with Iran's obligations). The report reiterates that unless Iran implements the Additional Protocol and, through substantive dialogue, clarifies the outstanding issues to the satisfaction of the IAEA, the IAEA will not be in a position to provide credible assurances about the absence of undeclared nuclear material and activities in Iran.

2. (C) Although the report provides a good basis for those willing to listen to the facts to conclude that Iran's "transparency" with the Agency is decreasing and far less than Iran asserts--despite Iran's UN Security Council obligation to fully cooperate with the Agency--some IAEA Board members almost certainly will continue to cite Iran's "cooperation" with the IAEA by noting the IAEA's inspection of Qom and its provision of design information for Darkhovin.

For example, Board Chairman Arshad told Ambassador on November 16 that he was "glad to see there was nothing new in the DG's report." Arshad's comment reflects the fact that the Qom issue has lost some "shock value" since its September disclosure. Also, the technical nature of the report--while appropriate--makes the issue sound somewhat "routine," especially to NAM states who are biased in Iran's favor in any case. We will want to work closely with like-minded states to remind the Board and IAEA members of the underlying

issue of deep concern about a facility Iran launched in secret and that is appropriately-scaled to support a nuclear weapons program, but far too small to support even a single nuclear power reactor. End Summary.

Iran Should Have Informed IAEA
Earlier on Qom

¶3. (SBU) A majority of the DG's November 16 report on Iran focuses on the newly disclosed Fordow Fuel Enrichment Plant (FFEP) near Qom and how Tehran's failure to notify the IAEA of the facility until September 2009 "was inconsistent with its obligations under the Subsidiary Arrangements to its Safeguards Agreement." The report confirms the FFEP remains under construction and is designed to house approximately 3000 centrifuges-with current plans to install only the IR-1 centrifuge, but could be reconfigured to contain the more advanced centrifuges should such a decision be made in the future. Iran informed the IAEA it plans to make the FFEP operational in 2011.

¶4. (SBU) While noting that Iran informed the IAEA that planning and construction of the FFEP began in the second half of 2007, after Tehran made its unilateral claim to have withdrawn from implementing Code 3.1 modified, the report highlights the "extensive information given to the Agency by a number of Member States detailing the design of the facility" was "consistent with the design as verified by the Agency during the design information verification (DIV)," and that these Member States allege design work on the FFEP

UNVIE VIEN 00000524 002 OF 003

actually started in 2006. The DG goes on to say that Iran's explanation about the purpose of the facility, how it fit into Iran's nuclear program, and the chronology of its design and construction requires further clarification and requests access to project managers, design engineers, and original design documentation.

¶5. (SBU) In addition, the report specifies that the IAEA told Iran "that Iran's declaration of the new facility reduces the level of confidence in the absence of other nuclear facilities under construction and gives rise to questions about whether there were any other nuclear facilities in Iran which had not been declared to the Agency." The IAEA sent Iran a letter on November 6 asking it to confirm that it has not taken a decision to construct other facilities that have not yet been declared to the Agency; Iran has apparently not yet responded.

Scale of Natanz Operation Idle,
But Additional Centrifuges Installed

¶6. (SBU) The recent trend of decreasing quantity of centrifuge operations involving uranium hexafluoride (UF6) gas at the Fuel Enrichment Plant (FEP) at Natanz, while increasing installation of new machines, continued since the DG's last report in August. As of November 2, Iran was feeding uranium hexafluoride (UF6) gas into 3936 centrifuges--a decrease from the 4592 that were being fed with UF6 as of August. However, Iran maintained installation of centrifuges bringing the total to 8692 centrifuges, compared to 8308 installed as of August. Iran also has produced a total of 1763 kilograms of low enriched uranium (LEU) since the start-up of operations at Natanz, compared to 1508 kilograms as of August. In addition, the report notes Iran's on-going work on its advanced generation centrifuges-the IR-2 modified, IR-3, and IR-4-at the pilot FEP at Natanz. (Comment: Mission notes that while the number of centrifuges spinning with UF6 decreased, the FEP's production rate was similar to previous reports.)

Other Items of Particular Interest

¶17. (SBU) In addition to the newly disclosed enrichment facility near Qom, the report also describes a couple of other new findings. The report indicates Iran informed the IAEA in August 2009 it would install an analytical laboratory in an underground location in one of the Uranium Conversion Facility's (UCF) storage areas at Esfahan. The IAEA also discovered a previously unknown cache of heavy water at the UCF. The IAEA has requested Iran to provide additional information regarding this new analytical laboratory and explain the origins of the heavy water. (Comment: The report of this prospective underground laboratory takes on added suspicion when coupled with the report's assertion that confidence has decreased about the absence of undeclared activities and the report's confirmation that Iran still rejects its Code 3.1 obligations. However, these items were only briefly mentioned in the report without further comment or assessment. End Comment.)

¶18. (SBU) Turning to reactor activities, Iran provide the IAEA with preliminary design information for the planned 360 reactor at Darkhovin, stating its desire to cooperate rather than a legal obligation. The report then describes its view that Code 3.1 modified remains in force for Iran and its failure to submit design information for the Darkhovin facility until September was "inconsistent with its obligations under the Subsidiary Arrangements to its Safeguards Agreement." The report notes that contrary to what was requested in the IAEA's letter of 19 June, the updated design information questionnaire (DIQ) for the IR-40 Heavy Water Research Reactor at Arak did not contain information on the design features of the fuel assembly.

¶19. (SBU) The possible military dimensions (PMD) aspect of the report is quite short but direct, reflecting the fact that there has been no movement on these issues in well over a year. The report does state, however, that "further analysis of the information available to the Agency underscores the importance of Iran engaging with the Agency in a substantive and comprehensive manner, and providing the requested access, so that the remaining outstanding issues may be resolved."

UNVIE VIEN 00000524 003 OF 003

Comment

¶10. (C) On the face of it, the technical judgments in the report and the conclusion that the failure to declare Qom is inconsistent with Code 3.1 modified and reduces confidence as to other undeclared activities in Iran provides sound basis for Board action. However, we fully expect the NAM to accentuate the few positive aspects of the report - non diversion of declared nuclear material (per usual), 31 unannounced inspections at Natanz, and Iran's cooperation with the Qom inspection. The Malaysian Board Chair's first reaction to the report's conclusions was that "there was nothing new," a point echoed in Iranian Ambassador Soltanieh's press comments characterizing the report as "routine and repetitive." While we do not expect such views to gain currency among the majority of the NAM, this will not stop vocal NAM hardliners from repeating them. Mission is scheduled to meet tomorrow morning (November 18) with like-minded states to consult on questions we should collectively put to the Secretariat about the report during the technical briefing for Member States scheduled for later in the day. We will seek to ensure that the question and answer session highlights the message reluctant NAM states seek to avoid hearing. End Comment.
DAVIES